

Mayor and City Council

Agenda Item Request

Meeting Date: 4/2/2013

Type: Other: Notification of Public Hearing

Call to Podium:

Harold Belton

Agenda Item Title:

Notification of a Public Hearing to Establish a Constant Yield Tax Rate for the City of Gaithersburg for Tax Year Beginning July 1, 2013 (Fiscal Year 2013)

Responsible Staff and Department:

Harold Belton, Director of Finance and Administration

Desired Outcome from Council:

Make Announcement that the Public Hearing for the Constant Yield Tax will be held April 15, 2013.

Public Hearing History	
Introduction Date:	4/2/2013
Advertisement Date :	3/27/2013
Public Hearing Date:	4/15/2013
Record Held Open Date:	
Policy Discussion Date:	
Anticipated Adoption Date:	

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Supporting Background Information:

In order to comply with state law, a public hearing is required if the tax rate proposed for the fiscal year exceeds the Constant Yield Tax Rate.

In accordance with state law, as the City's assessable tax base increases, causing the amount of revenue from year to year to increase, the City must hold a public hearing to inform citizens of that increase. As projected by the State Department of Assessments and Taxation, the City's assessable base will increase by 0.4 percent in FY 2013. As the City's assessments increase, the tax rate needed to generate the amount of revenue for the prior year decreases. This Constant Yield Tax Rate would ensure that the City's tax revenue would remain flat from FY 2013 to 2014.

In order to make real property tax bills simpler and easier to understand, the General Assembly, under Chapter 80 of the Acts of 2000, has required that property tax rates on real property be based on a full (100%) cash value assessment.

The City of Gaithersburg is proposing a tax rate of \$.2620 which will exceed the \$.2609 Constant Yield Tax Rate, therefore requiring a public hearing.